



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

October 1, 1998

Wendell Owen
CO-OP Mining
P.O. Box 1245
Huntington, Utah 84528

Re: Adjustment of Bond Amount in Conjunction with Midterm Review, Co-Op Mining, Bear Canyon Mine, ACT/015/025, Folder #3, Emery County, Utah

Dear Mr. Owen:

As part of the Midterm review of the Bear Canyon Mine, the Division conducted a review of the reclamation bond. Some deficiencies were identified with respect to the bond cost estimate and how the cost of reclamation was calculated. We have now reviewed your July response to the deficiencies and have determined that a couple of deficiencies still exist and your bond needs to be adjusted to bring it in line with information found in your mining and reclamation plan. Based on the information in your plan at the present time, we have calculated the reclamation costs at the Bear Canyon mine to be \$1,088,000.

You should now submit additional bond to bring the total reclamation bond for the Bear Canyon Mine to \$1,088,000. In lieu of this, we suggest that our technical staff meet with your staff to ensure accuracy of the information and calculations. Once these are verified, you will need to post any additional bond that is identified at that time.

We have enclosed a technical memo which discusses our review and describes the remaining deficiencies associated with the midterm review. Please correct the deficiencies by submitting an amendment to your plan which addresses the requirements as outlined by no later than October 30, 1998. Bond in the amount of \$1,088,000 should also be posted by that time.

If you have any questions, please don't hesitate to call.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor, Mining